



## BUDGET CONFERENCE REPORT: A NEW DIRECTION

<b>FISCAL RESPONSIBILITY</b>	Our budget cuts the deficit by nearly two-thirds in four years, putting the budget on a fiscally sustainable path needed for future economic strength. Is in sharp contrast to the historic budget deficit inherited by President Obama and the 111 <sup>th</sup> Congress – a deficit of well over \$1 trillion in 2009. Also reaffirms our commitment to statutory PAYGO.
<b>ECONOMIC RECOVERY</b>	Our budget makes strategic investments in education, health care reform, and clean energy jobs that are necessary to jumpstart our economy and make America globally competitive for years to come.
<b>MIDDLE-CLASS TAX CUTS</b>	Our budget includes a \$1.7 trillion tax cut for middle-income taxpayers – permanently extending the 2001 and 2003 tax cuts (10 percent rate, marriage penalty relief, and child tax credit) for the vast majority of Americans. Our budget can also accommodate additional tax relief supporting working families, businesses, communities, or states, that is consistent with the pay-as-you-go rule.
<b>EDUCATION</b>	Our budget builds on the Recovery Act's historic investment in education, including Title I, Special Ed, and Pell Grants. Matches the President's increase in education funding. Creates a reserve fund for a deficit-neutral College Affordability Initiative. Provides reconciliation instructions as a fallback option to consider the College Affordability Initiative in the event Congress has not acted by the fall (if necessary, requiring committees to report a reconciliation bill by October 15).
<b>ENERGY</b>	Our budget builds on the significant funding and tax incentives in the Recovery Act by increasing investments and job creation in clean energy and energy efficiency. Provides an increase of \$540 million (or 10 percent) for FY 2010. Also allows for fiscally responsible legislation to promote a clean energy economy over the long term.
<b>HEALTH CARE</b>	Our budget supports the President's goals for health care reform that will lower costs, improve quality and expand coverage. Creates a health care reform deficit-neutral reserve fund. Provides reconciliation instructions as a fallback option to consider health care reform in the event Congress has not acted by the fall (if necessary, requiring committees to report a reconciliation bill by October 15).
<b>VETERANS</b>	Our budget is another historic commitment to veterans: an increase of \$5.6 billion (or 11.7 percent) in FY 2010 for veterans' health care and other services. Ends the Bush Administration's ban on enrolling modest-income veterans for VA health care. Rejects authorizing the VA to bill private insurance companies for treating veterans' service-connected conditions. Allows Congress to provide VA medical funding a year in advance.